

A framework to effectively use social media as a marketing strategy for start-up companies

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Abstract— Start-up companies have a lot of challenges ahead of them. Attracting the customers to the business is one such major challenge which is faced by all most all companies at the beginning. Many companies try to find marketing strategies which they feel as the most suitable option to market their goods and services to the potential customers. With the advancements in technology and the increased usage of the internet, companies tend to use social media marketing as one of their mainstream marketing strategies. The biggest issue a start-up company might have when using social media as a marketing strategy is to understand which platform or platforms they should be using at the beginning to attract potential customers into their business. This research focuses on designing a theoretical framework that could be used by these companies to obtain a better understanding of the areas they need to consider when deciding on their social media marketing platform. At present, there are several social media sites that provide a good platform for the companies to market their products and services to customers. Most companies believe that any social media site is good enough to market their product. This misconception has caused many companies to end up with failed marketing endeavors. It is necessary to understand that different social media sites offer different opportunities for marketing a good or service and that these sites target different audiences. Therefore, advertising on the wrong social media sites would not produce the expected results to a start-up company and demotivate them in achieving their goals. This research identified several components which are essential to understanding which social media site should be ideal to get a company's marketing messages to all the potential customers. The framework was developed based on these identified areas and is expected to serve as a set of guidelines for the start-up companies when selecting appropriate social media sites.

Index Terms— Framework, Marketing strategy, Social media, Start-up companies.

1 INTRODUCTION

The economic growth of a society depends on the composition of individual's wealth. Since the emergence of entrepreneurs is growing upward it has universally promoted as an important mechanism to generate economic growth of a developing country. There, Small and Medium Enterprises (SME) plays a leading role in nation development [1].

In this economic era, many youngsters are looking forward to starting a business with some new and innovative concepts since they are highly motivated by the success of Small and Medium Scale Enterprises(SMEs) in recent years. With the fresh mind and creative ideas, many youngsters are having self-confidence to start their own business even with small investment. These kind of startups are coming under SMEs where entrepreneurship became an essential creative process of extracting and social and economic value for the environment [2]. It is a "fit and balance" of several factors [3]. Thus, there are some challenges need to be considered while looking for new start-ups. Many facts have been highlighted by the researchers with respect to challenges focused by start-up companies such as investment, target market, marketing and more importantly making effective business decision based on those factors. An effective business depends on the acquisition, processing and utilization of relevant knowledge and some information or knowledge is simply more valuable and more sensitive than other information [4].

Marketing is one major factor which can help small firms to grow in a positive way since it has become more of a battle based on information more than the sales power [5]. Since the investment,

technologies used and the number of employees is low compared to large enterprises, it's impossible to offer huge money on marketing by the SMEs. Therefore, a proper marketing strategy should be followed and it should be more effective one and help them to outperform their competitors. Digital marketing plays a major role in the marketing world during the recent years. Specifically, the internet and social media has become an important tool in this technological era in order to enhance the quality of the marketing decisions. So this can be utilized by the startups effectively as marketing strategies and achieve their targets. Social media will help the business to reach each and every individual's door without much effort. Social media can be defined as "activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media" [6]. Even though it's the easiest way to reach people, there are some important factors that has to be considered while applying this as a marketing strategy in real-time. Especially selecting an appropriate social media plays a major role [10]. Thus everything related to social media need to be very clear in order to go ahead with the selection. There are plenty of platforms available now and all are having unique features

2 RELATED WORKS

Researches revealed that the marketing environment of SMEs has influences from several factors such as markets, customers, trends and competitors which has an indirect support for SMEs to develop

an excellent marketing style due to heavy market competition. Further SME marketing is restricted by the skills and attitudes, perception of function, personnel, resource limitations including the finance as well. Many enterprises often rely on applying the classical marketing models or following the footpath of others which lead to limited marketing theory development [8].

Based on the research done recently 70% from 400 senior marketing executive has recognized the need of major digital transformation. Thus, it shows that marketing has been entered into a period of transition from traditional method to more granular, data-driven and highly targeted campaigns through the digitization [9]. Social media marketing becomes a more popular approach and which is widely used by small firms. Under this approach marketing is shifted from “try to sell” concept to “making connection with customers” concept [10].

It is one of the main low-cost tools that combines technology and social interaction. Two important benefits of social media to businesses are cost reduction by decreasing staff time and the increase of probability of revenue generation. Social media helps companies to enable customers helping customers and engages prospects through customer evangelism. It also shares their expertise and knowledge and taps into the wisdom of their consumers. Thus the benefits of social media include brand reach and awareness, consumer interactions through transactions, referrals and reputation management [13], Selecting the appropriate social media platform is an important decision.

While making marketing decisions entrepreneurs, owner or manager has to be very careful and always they should remember that the decisions made by them have to suits their business[14].While making marketing decisions entrepreneurs, owner or manager has to be very careful and always they should remember that the decisions made by them have to suits their business[14].Even though social media marketing has multiple advantages the decision taken related to selecting the appropriate social media platform is the crucial thing. The outcome of this strategy heavily depends on this decision. Each social media platform has its own unique features [11]. The main goal of firms to build a marketing strategy is to harvest the entire benefits. Therefore, selecting the appropriate platform plays the major role in social media marketing [12].

3 SELECTING A PLATFORM

The main focus of this paper is to suggest factors that could be directly relevant or should be considered when choosing a social media platform/platforms for startup companies. For this research the focus was mainly on Small and Medium Enterprises. Based on an extensive literature review several factors were identified and they were further explored to find the most relevant and useful factors when deciding of such platform. The identified factors and their importance when selecting social media platform are discussed below.

3.1 Type of the business

When using social media platforms for marketing, it should not be thought as a one-size-fits-all strategy. There are certain types of

business which will not be largely benefitted by using social media as marketing platform. Furthermore, it should be carefully decided on the platform which can be extremely useful when marketing certain goods and services as if the platform on which it is marketed, is not ideal for that kind of a good or a service it will not produce expected results. Therefore, the following should be considered under the type of the business, when deciding the platform.

- What is the business model [7]?
- What kind of a products/services is being sold?
- What are the locations to which the business plans on selling the products/services?
- What are the sites used by competitors?

All these play a vital role as the selection of the social media platform should be based on the answers given to the above questions. At present there are so many social media platforms but it should be kept in mind that these different site have their own specialty and that they themselves target different people. Therefore, knowing the business model and the kind of products and services sold will help to get a better understanding of appropriate social media sites. Also if the business plans on selling products or services only to a local customer base, it should focus on sites that allow them to determine which audience will be able to view their advertisement. This helps when taking the marketing message to the exact set of potential customers rather than letting it to go to people who have no interest or use in viewing that advertisement. Also it is important to understand the sites targeted by the competitors of the business and try to realize whether it has provided a good marketing platform to the competitor and how it has affected their business.

3.2 Goals and Objectives

The overall goals and the objectives of using social media as a marketing platform should be given utmost importance at the very beginning. It is essential to identify what the prime aim or the goal of the business when deciding on using social media as a marketing strategy. It can also be considered as what is the ultimate expectation of the company by deciding to use the social media platform as a method to promote their goods or services. When setting up these goals/objectives, it is important to identify whom you are targeting, what are your other marketing strategies and how you can align them together, and the timeframe. Also it is essential that the goals and objectives which have been set are Specific, Measurable, Attainable, Relevant, and Time-bound (S.M.A.R.T). During the literature review it was identified that most of the marketing strategies pertaining to social media fail due to the unattainable and unrealistic goals. Most of the startup companies fantasize about having a larger customer base or remarkable brand awareness within a short period of time. Even though there is no doubt that the internet has made the world a smaller place and that it has widened the horizons for the marketers, it should be understood that social media should not be considered as magic tool that turn the business into a globally recognized company overnight. Setting (S.M.A.R.T) goals/ objectives helps in deciding on the most suitable platform/s to carry out the social media strategy.

3.3 Target Market

Social media are widely used by people coming from all walks of life. But different people has different tastes and therefore tend to use

the social media sites which they feel that mostly relate to them. Therefore it should be kept in mind that the most important point is not to just use the most commonly used social media site, but to consider the sites that the potential customers are most likely to visit. In order to identify this it is important to do a survey to get a better understanding about the customers and their preferred social media platforms. Also this depends on the type of the business as well. If the business deals with B2B model, they need to focus on more professional platforms than using the sites which are crowded by normal customers. The customer demographics also should be understood as it can have an impact on their social media activities. Age, designation, current income and location, gender are some of the factors that should be considered under this category. It is useful to know who the targeted customers are and to know their behavior on social media. Researches have shown that demographics of users and their preferred social media platforms tend to have a connection [10],[11],[12]. Therefore getting to know the customer is vital when deciding on a suitable platform.

3.4 Content

Another factor that is very important when choosing a social media platform is the content of the message the business expects to display to the audience. There are different social media sites which are popular in different forms of communication. Some sites focus on quality images while some focus on videos. Some social media sites provide a better platform for lengthy messages while some focus on shorter messages. Therefore choosing a sites that can be useful in sending a message across is very important. Since we mainly discuss about the startup companies they need to build their brand from the scratch. Therefore using attractive content on the sites can be helpful to make the customers interested in your business. If it is possible to give adequate information using many forms such as images, videos/audios and text it will be more useful to the potential customers to get to know the product or the services. Therefore focusing on the specialty or the restrictions imposed by sites (maximum number of characters, using only one specific form e.g.: videos) will help to determine the best sites to use especially at the beginning of a business.

3.5 Available Resources

Social media marketing like most other forms of marketing, requires many resources. These resources can have a direct impact on the social media sites that a business has to consider when using them as platforms for social media marketing. Budget, time and skills and technology the business possess should be definitely considered before selecting the platform. Some social media sites require a fee to advertise or promote advertisements on their sites. The prices of these sites should be reviewed and matched with the budget allocated for social media marketing. As a startup company using social a media site through which a company can reach their customers for no or little price can be useful. Also social media is all about communicating. Deciding how often you plan on communicating with your customer is also a factor that should not be left without taking into consideration. When posting on social media sites the amount of posts/messages which should be shared during a specific period of time differs from one another. For example the optimum

number of posts for a day in one site might be few while another site may promote sharing more posts during a day. The reason to focus on this factor is that if less number of posts are shared in a site which requires more often sharing of posts can result in the marketing message not reaching out to the intended audience. In this case the time available to spend on social media marketing needs to be considered. This might depend on the number of employees available for this purpose as well as other marketing strategies of the company. Skills of the employees of the business also play a major role in social media marketing. As discussed earlier different sites have different specialty. For an example some social media sites deal with videos. In such situations if the business decides on using such a platform, it should make sure there are employees who are capable of producing quality videos and that the business has the budget and technology necessary for such production.



Fig. 1. Proposed Framework

4 CONCLUSION

With social media becoming more popular day by day it has opened avenues for businesses to reach out to the potential customers. At present there are several social media sites which attracts hundreds of thousands of people worldwide. This creates a huge platform for businesses to build a connection with their customers. Therefore, as of late many businesses have start using social media sites to market their products or services. Even though there is no doubt regarding the effectiveness of social media marketing, in order to gain highest productivity from it, a business needs to think very carefully. Choosing a wrong platform will not bring the expected results to a business. This paper tried to determine the factors which are beneficial to a startup business when choosing a social media site to take forward their marketing messages to a wider audience. The paper discussed five areas which needs to be considered when deciding on a suitable social media platform. As further work, the impact of these factors can be evaluated in relation to different social media platforms.

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